

# GOVERNOR'S COMMISSION ON STRENGTHENING UTAH'S DEMOCRACY

## RECOMMENDATION FOR CAMPAIGN FINANCE REFORM

*SPONSORED BY ACTING CHAIR KIRK JOWERS*

This recommendation endeavors to strike an appropriate balance between Utahns' right to speak and their right to representation. As a Commission, we must respect the First Amendment and recognize that campaign contributions facilitate speech. But we must also realize that money has a capacity to corrupt and to present the appearance of corruption. Our public discourse and civic engagement will never be sufficiently robust if ordinary citizens feel that they are priced out of the market. Meaningful, sensible reforms are needed in the area of campaign finance.

### **I. CONTRIBUTION LIMITS** (Indexed for inflation every two-year House election cycle)

#### **A. Contributions by Individuals**

- \$10,000 per two-year House election cycle for state-wide races
- \$5,000 per two-year House election cycle for legislative races
- \$40,000 per two-year House election cycle to parties
- \$10,000 per two-year House election cycle to PACs
- \$50 limit on cash contributions

#### **B. Contributions by Corporations, Labor Organizations, and PACs**

- Same as individual limits
- \$50,000 aggregate limit to parties, labor organizations & PACs
- Solicitation and administrative costs incurred for a corporation/union PAC do not count against the corporation's or union's contribution limit.

#### **C. Major State Vendors**

- Major State Vendors Definition: Vendors bidding for or holding contracts of \$100,000 or more, including officers, directors, spouses, and those with a 10-percent-or-greater ownership interest.
- \$1,000 per two-year House election cycle to candidates for state-wide and legislative offices

#### **D. No Earmarked Contributions or Contributions in the Name of Another**

- No contribution to a party or PAC may be "earmarked" for use in a candidate's campaign.
- No contribution may be given in the name of another.

## **II. CANDIDATE/OFFICEHOLDER RELATED ACCOUNTS**

No elected official or candidate shall receive a contribution or payment which exceed the contribution limits set forth above for any of the following purposes:

- Legal defense funds
- Inaugural and swearing-in committees
- Convention and conference fundraising
- Party administrative or housekeeping accounts
- Officeholder accounts
- Political party fundraising
- Foundations or charities in which the candidate/office-holder has a significant connection
- Candidate/office-holder controlled ballot initiatives

## **III. MANDATORY DISCLOSURES**

- Name and address for all contributions.
- Name, occupation, address, and employer must be collected and reported for any individual who contributes an aggregate of more than \$200 in a calendar year.
- Sub vendor information on all expenditures by candidates and PACs of \$1,000 or more.

## **IV. REPORTING AND RECORDKEEPING**

- All candidates, corporations, labor unions and PAC's must file reports electronically. The state shall endeavor, as soon as financially feasible, to maintain the reports in a fully searchable format for public access and to provide real-time access by the public to a candidate committee's recent filing updates.
- A contribution of more than \$1,000 received by a candidate or party must be electronically reported by the candidate or party before the contribution may be deposited and, if received within 7 days of an election, must be reported within 24 hours of receipt.
- Corporations, parties, labor unions, PACs, and candidates will all have the same reporting deadlines.
- Contributions of \$200 or less need not be reported individually, but may be aggregated.
- Contributions must be deposited within 30 days of receipt.
- Filers must provide a detailed explanation for any amended filing.
- Late filers are automatically fined \$300 for any late report, with the fine increasing by \$500 for each additional month that the report is late. Fines will be levied against filing entities. But if the entity is unable to pay the fine, the fine will be levied against the candidate or treasurer, as appropriate.

## **V. ELECTIONEERING ADS**

A person or entity who pays for a communication totaling \$25,000 or more that clearly identifies a candidate and that is disseminated through broadcast, cable, or satellite provider within 45 days of the clearly identified candidate's election must file a report with the Election and Lobbying Enforcement Commission disclosing (1) the name and street address of the communication's sponsor, (2) the names and addresses of all persons contributing \$100 or more to the sponsor for the purpose of airing the

communication (3) the amount spent on the communication (4) the name of the clearly referenced candidate; and (5) the medium used to disseminate the communication. The report must be filed within 24 hours of making the payment or promising to make the payment.

**APPROVED 16-0 (3 ABSENT)  
NOVEMBER 5, 2009**

VOTING TO APPROVE

Acting Chair Kirk Jowers, Representative Rebecca Chavez-Houck, Randy Dryer, Representative Craig Frank, Dave Hansen, Bruce Hough, Meghan Holbrook, Senator Scott Jenkins, Dan Jones, Tom Love, Frank Pignanelli, Dick Richards, Dee Rowland, Ken Verdoia, LaVarr Webb, Doug Wright